

# IRS News Release

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Media Relations Office for Tennessee

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## IRS Offers Tax Tips for Tennesseans

TN-2005-32, Feb. 16, 2005

1. Itemizers: Use the new Sales Tax deduction. Determine your deduction from actual receipts or use the IRS tables (IRS Publication 600). If you use the IRS tables, don't forget to add local sales tax using the worksheet. And remember to add sales tax paid on allowable big-ticket items bought in 2004 -- those include most motor vehicles, boats, planes, homes, and home building materials. For 2004, you can deduct either state and local sales tax OR state and local income tax you paid.
2. Tenn. Lottery Winners: Report all lottery and other gambling winnings. Deduct gambling losses (up to the amount of reported winnings) if you itemize deductions. And, no, the cost of lottery tickets IS NOT a charitable donation, even though part of it goes for education.
3. Consumers: Watch out for tax scams. The most common tax scam in Tennessee is the false return scheme that involves using someone else's dependent or Social Security Number or using other false deductions or credits. Choose an honest tax preparer, don't ever sign a blank return. YOU are responsible for the accuracy of your return. Report tax fraud -- 1-800-829-0433 (callers can remain anonymous)
4. Workers: Don't miss the EITC. The Earned Income Tax Credit is generally available to people who worked in 2004 and earned at least \$1 but less than \$35,458. Could mean a refund of up to \$4,300, even if you didn't have anything withheld from your wages. Over half a million Tennesseans claim it, but many fail to claim this valuable tax credit!
5. Seniors, low-income, disabled: Trained volunteers offer free tax help for low-income, elderly, or disabled filers. Call 1-800-829-1040 to locate the site closest to you. Help sites are in 58 Tenn. counties: Anderson, Bedford, Blount, Bradley, Campbell, Cannon, Carroll, Carter, Cheatham, Chester, Claiborne, Coffee, Cumberland, Davidson, Dyer, Fentress, Franklin, Gibson, Giles, Greene, Hamblen, Hamilton, Hardin, Hawkins, Henderson, Henry, Jackson, Jefferson, Johnson, Knox, Lincoln, Loudon, Madison, Marshall, Maury, McMinn, Monroe, Montgomery, Morgan, Overton, Pickett, Putnam, Rhea, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Trousdale, Unicoi, Warren, Washington, Weakley, White, Williamson and Wilson.
6. Help-seekers: IRS offices are open M-F, 8:30 a.m. - 4:30 p.m. in Chattanooga, Jackson, Johnson City, Knoxville, Memphis, Nashville. Get tax forms and publications, face-to-face help with IRS account problems. Free tax return preparation (first-come, first-served) if your family income is less than \$36,000 and your return is simple. Bring a copy of last year's tax return, your 2004 W-2s and other tax documents, photo ID for you and your spouse, Social Security cards or ITINs for all persons on your return. Call 1-800-829-1040 for addresses of offices or visit [www.irs.gov](http://www.irs.gov).

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7. Mailers: If you're mailing your 1040 to the IRS this year, it goes to Austin, not Memphis. The new address is: IRS, Austin, TX 73301.

8. Cyber-filers: Join 369,000 Tennesseans expected to e-file online from their own computers -- use tax software online free through the IRS Free File program. Visit IRS.gov for details and links. E-filing is secure and offers a fast refund, notification of receipt by the IRS, and a virtually error-free return. Nearly 60% of Tennessee filers are expected to e-file this year through their tax preparers or their own computers.

9. Procrastinators: Haven't filed your 2001 tax return? More than 27,000 Tennesseans have not and could be due refunds totaling \$29 million. There's a 3-year deadline to claim a refund, so you'll lose any refund due to you unless you file by April 15, 2005.

10. Questions? Contact IRS toll-free at 1-800-829-1040, M-F 7 a.m. - 10 p.m., Sat. 10 a.m. - 3 p.m. (Hearing impaired with TDD call 1-800-829-4059). On the Web: [www.irs.gov](http://www.irs.gov) – check on your refund, e-mail the IRS, get forms or publications.